

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 01850 270643Z

12

ACTION ARA-06

INFO OCT-01 ISO-00 ABF-01 EB-03 PM-03 INR-05 SS-14 SP-02

PRS-01 IGA-02 H-01 L-01 /040 W

----- 031677

R 2622110Z FEB 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9028

LIMITED OFFICIAL USE LIMA 1850

STADIS////////////////////

LIMDIS

FOR ASSISTANT SECRETARY ROGERS

E.O. 11652: N/A

TAGS: AGAO, PE

SUBJ: GAO SURVEYS IN LATIN AMERICA

1. I HAVE RECEIVED A LETTER DATED FEBRUARY 6 FROM
GEORGE L. DEMARCO, DIRECTOR OF LATIN AMERICAN BRANCH OF GAO
INTERNATIONAL DIVISION WHO IS RESIDENT IN CANAL ZONE.
DEMARCO STATES THAT GAO INTERNATIONAL DIVISION WISHES "TO
MAINTAIN A CONTINUING COGNIZANCE OF U.S. ACTIVITIES ON A
COUNTRY-WIDE AND REGIONAL BASIS" AND "TO BE ALERT TO SIGNI-
FICANT CHANGES IN DIRECTION OF EFFORT OR SPECIFIC DEVELOPMENTS
WHICH MAY BE OF SPECIAL INTEREST TO THE CONGRESS AND ITS
VARIOUS COMMITTEES." DEMARCO THEN SAYS HE AND TWO STAFF
MEMBERS WISH TO VISIT THIS EMBASSY "BEGINNING ABOUT JUNE 7,
1976 FOR TWO WEEKS." HE ALSO STATES THAT PRIOR TO VISIT "WE
WILL DISCUSS THIS ASSIGNMENT WITH, AND OBTAIN INFORMATION
FROM, OFFICIALS IN THE DEPARTMENTS OF STATE AND DEFENSE, AND
OTHER U.S. ACTIVITIES AS APPROPRIATE."

2. DEMARCO CONTINUES "OUR INTERESTS ARE BROAD, COVERING ALL
U.S. PROGRAMS AND ACTIVITIES CARRIED OUT BY THE DEPARTMENTS OF
STATE AND DEFENSE, THE AGENCY FOR INTERNATIONAL DEVELOPMENT,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 01850 270643Z

THE PEACE CORPS, THE UNITED STATES INFORMATION SERVICE AND OTHER PROGRAMS SUCH AS THOSE DEALING WITH TRADE AND INVESTMENT." DEMARCO ATTACHES A COPY OF LETTER TO DEPUTY ASSISTANT SECRETARY FOR SECURITY DIKEOS CONTAINING HIS SECURITY CLEARANCE DATA.

3. WE SUBSEQUENTLY RECEIVED PANAMA 1309 OF FEBRUARY 20 IN WHICH DEMARCO INFORMS US OF ADDITIONAL GAO TRAVEL PLANS. A TEAM COMPRISING W.K. SUTTON AND F.L. FULTON IS TO BE IN LIMA MARCH 28-APRIL 3. ALSO, "LAB AUDIT MANAGER F.R. MATTERS" IS TO BE WITH US MARCH 31-APRIL 3. THIS GAO TEAM, AS AGREED TO BY DEPARTMENT IN STATE 31340, IS TO UNDERTAKE A "SURVEY OF U.S. DIRECT INVESTMENTS IN LATIN AMERICA."

4. BEFORE RESPONDING TO DEMARCO'S LETTER I WOULD WELCOME THE BUREAU'S GUIDANCE AND VIEWS ON PERMISSIBLE GAO ACTIVITIES IN PERU AND ELSEWHERE THROUGHOUT THE HEMISPHERE. WHILE WE ARE OF COURSE WILLING TO COOPERATE WITH GAO, WE WOULD WELCOME ANY COMMENTS AS TO WHAT THE DEPARTMENT HAS AGREED TO WITH RESPECT TO SUCH SURVEYS IN OTHER COUNTRIES. THE SWEEPING COVERAGE DESCRIBED IN DEMARCO'S LETTER SUGGESTS A FISHING EXPEDITION, AND PERHAPS AN OVERLAPPING FUNCION WITH THAT OF THE DEPARTMENT'S INSPECTOR GENERAL AND DEPARTMENT'S REVIEW OF CASP AND EMBASSY REPORTING, REPRESENTATION AND OTHER FUNCTIONS. DEMARCO'S LETTER SUGGESTS THAT ALL ACTIVITIES OF ALL AGENCIES REPRESENTED HERE ARE FAIR GAME FOR SURVEY TEAM. INDEED GAO CANAL ZONE OFFICE WOULD SEEM TO BE ENGAGED IN "FREE WHEELING", AT LEAST AS FAR AS GUIDANCE RECEIVED AT THIS EMBASSY IS CONCERNED REGARDING LEGITIMATE GAO INVESTIGATIVE ACTIVITIES. IF THE GAO HAS SET UP ITS OWN "FOREIGN SERVICE", WHAT PRACTICAL LIMITS EXIST ON GAO ACTIVITIES? WE ARE ACCUSTOMED TO AND PREPARED FOR GAO INQUIRIES ON FOREIGN ASSISTANCE ACTIVITIES AND OTHER SPECIFIC PROGRAMS, BUT WISH GUIDANCE AS TO WHETHER SUCH AN ALL-INCLUSIVE SURVEY AS DEMARCO PROPOSES IS AGREED TO BY THE DEPARTMENT.

5. FOR YOUR INFORMATION THIS EMBASSY WAS INSPECTED IN JULY 1975; AID AUDITOR GENERAL TEAM IS SCHEDULED FOR JUNE; DEA WAS INSPECTED EARLIER THIS MONTH; SENATE APPROPRIATIONS COMMITTEE STAFFER JORDAN WAS HERE RECENTLY REVIEWING VARIOUS USG PROGRAMS; AND USCINCSO IS EXPECTED TO SCHEDULED MAAG INSPECTION SOON. THIS LAYERING OF INSPECTIONS, NOW APPARENTLY TO INCLUDE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LIMA 01850 270643Z

GAO SURVEY OF ALL USG PROGRAMS, REALLY RAISES SERIOUS QUESTIONS AS TO EFFICIENCY AND BEST USE OF OUR TIME HERE. AT THE VERY LEAST WE TRUST THAT GAO TEAM SHOULD REVIEW THE INSPECTOR GENERAL'S REPORT AND OTHER INSPECTION REPORTS, AND ALSO CASP AND PROGRAM DOCUMENTS OF THE AGENCIES REPRESENTED HERE PRIOR TO COMING TO LIMA; THIS PRIOR REVIEW SHOULD SAVE BOTH THE GAO AND OURSELVES A GREAT DEAL OF TIME, AND SAVE GOING

YET ANOTHER TIME OVER THE SAME GROUND. BE ASSURED IN ANY
EVENT THAT IF GAO SURVEY TEAM DOES APPEAR ON THE LIMA SCENE
WE WILL BE AS HELPFUL AS WE CAN.

6. I WOULD APPRECIATE AN EARLY REPLY, PARTICULARLY IN VIEW
OF THE PROJECTED ARRIVAL OF THE GAO INVESTMENT SURVEY TEAM IN
LATE MARCH AS WELL AS MY NEED TO ANSWER DEMARCO'S LETTER
WITHIN THE NEXT SEVERAL DAYS.

DEAN

LIMITED OFFICIAL USE

NNN

*** Current Handling Restrictions *** STADIS

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LIMA01850
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: D760073-0969
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760297/aaaagebv.tel
Line Count: 128
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 06 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 JUL 2004 by saccheem>; APPROVED <06 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 970919
Subject: GAO SURVEYS IN LATIN AMERICA
TAGS: AGAO, PE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006